

Testimony of Senator Jeff Plale
Senate Bill 507
Senate Committee on Small Business, et. al.
March 5, 2008

Chairperson Wirch and Members of the Committee:

Thank you for the opportunity to testify before you today on Senate Bill 507, relating to technical college programs under W-2.

This important bill would allow a select group of W-2 participants to enroll in a technical college job-training program if the program is directly related to a waiting job the participant has secured.

Admittance into this newly created program is contingent upon an agreement with an employer to hire the W-2 participant upon completion of the technical college program. The full-time training program would be allowed for up to a 12-month period as long as it is **directly linked** to full-time employment with an identified employer following successful completion of the course. Most of the training programs (such as welder training) could be completed in less than the 12-month period allowed. This is a partnership between W-2 agencies and technical colleges only. The fiscal impact of this bill is negligible as W-2 agencies could implement this program without additional state contract funding.

This new program would parallel (and **not** eliminate) the existing technical college program for W-2 participants. Both the existing program and this new program require that the participant maintain full-time status in the program and maintain a 2.0 GPA. However, unlike the existing program, this new one does not require the participant to work 25 hours per week in addition to class time. Currently, based on this restrictive work requirement, very few W-2 participants are able to take advantage of existing technical college training. Without a work requirement, participants are able to more fully concentrate on the technical college program, and complete the training in a timely manner rather than spend at least 25 hours a week at a basic job.

Numerous studies have documented the correlation of education to higher wages and a family's ability to move out of poverty. This bill encourages taking a proactive approach to increasing the education level of W-2 participants in an effort to move individuals into family sustaining jobs that will allow them to move completely off a system of assistance. Skilled technical college training programs would likely significantly increase a participant's ability to obtain and maintain employment with family sustaining income.

Thank you and I would be happy to answer any questions you might have.

**eliminating racism
empowering women**
ywca

YWCA Greater Milwaukee
1915 North Dr. Martin Luther King, Jr. Drive
Milwaukee, WI 53212
414.374.1800 Administrative Offices
fax: 414.374.2680
www.ywcamilw.org

Comments of Jennifer de Montmollin
W-2 Director, YWCA Greater Milwaukee
Concerning SB 507
Before The
Senate Committee on Small Business, Emergency Preparedness, Workforce
Development, Technical Colleges and Consumer Protection
March 5, 2008

Senator Wirch and other members of the committee, I am Jennifer de Montmollin, the W-2 Director for the YWCA Greater Milwaukee. As you may know, the YWCA Greater Milwaukee is one of the providers of W-2 services to Milwaukee County residents. I want to thank you for having this hearing today, and I want to thank Senator Jeff Plale and Rep. Sue Jeskewitz for introducing this legislation which has the potential to greatly enhance the ability of our W-2 participants to not only obtain employment, but also to secure jobs that will provide them and their families with more income and family-sustaining benefits.

When the Federal Temporary Assistance for Needy Families (TANF) legislation was reauthorized in 2006, it contained new definitions of "core work activities" which the states were allowed to use in determining TANF participants' compliance with the work requirements in the law. Included in the federal definitions of "core work activities" is *Vocational Education for a lifetime limit of up to 12 months provided by institutions such as technical schools*. Thus, there was recognition in the reauthorization of TANF that a W-2 participant could be given credit for "working" if they are attending, on a regular basis, a technical college program which will result in employment at the end of the training period. While this flexibility was given to Wisconsin and the other states in 2006, current W-2 policy in the state of Wisconsin does not reflect that flexibility. Under current Wisconsin policy, a W-2 participant who is enrolled in such a technical college program must still participate in work activities at least 25 hours a week, even if that "work" interferes with their school attendance.

Due to the restrictive nature of the current policy, very few W-2 participants are able to take advantage of the technical training that would likely significantly increase their ability to obtain and maintain employment with family sustaining income.

Numerous studies have documented the correlation of education to higher wages and a family's ability to move out of poverty. It would make sense therefore to take a proactive approach to increasing the education level of W-2 participants in an effort to move individuals into family sustaining jobs that will allow them to move completely off a system of assistance with a reduced chance of recidivism.

(over)

The Wisconsin Council on Children and Families 2007 *Bridges, Pathways and Leadership* report notes, "What is informative is the fact that compared to students who earned fewer than ten college credits, those who took at least a year's worth of college-credit courses and earned a credential (such as an occupational certificate or associate degree) had an average annual earnings advantage of \$8500 for those who started in ABE or GED preparation."

In preparing to make this type of change, it is important to review successes achieved in programs such as Maine's *Parents as Scholars: Education Works*. These include: higher median wages, increased likelihood of employment that offers employer sponsored health insurance, paid sick leave and paid vacation time. In addition, almost 90% of *Parents as Scholars* graduates have left TANF.

As you know, Sen. Plale's and Rep. Jeskewitz's legislation allows for a W-2 participant who has a related offer of employment to attend a technical college program for up to a year in preparation for that waiting job. If a W-2 participant has a job offer for a medical billing position, they would simply be allowed to complete the year-long medical billing certificate program required for that waiting job. This legislation does not allow W-2 participants to attend a technical college program without a related offer of employment.

While we would welcome even more educational opportunities for our W-2 participants, we think this is a good first step, and we applaud Sen. Plale, Rep. Jeskewitz and the other supporters of this legislation for introducing it. We urge your support as well.

Thank you for your attention. I would be happy to answer any questions.



WISCONSIN COUNCIL ON

**children
& families**

Raising Voices to Make Every Kid Count

555 West Washington Ave, Suite 200

Madison, WI 53703

www.wccf.org

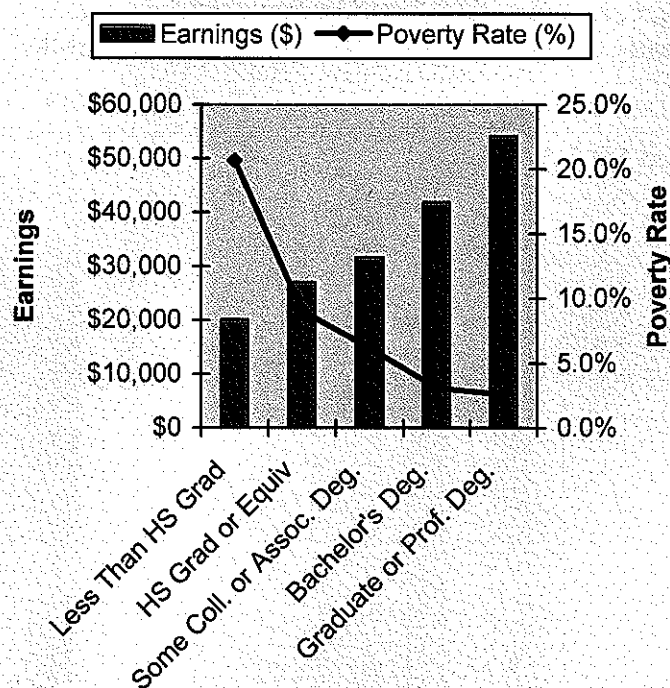
☎ 608-284-0580

✉ 608-284-0583

To: Members of Senate Committee on Small Business, Emergency Preparedness, Workforce Development, Technical Colleges, and Consumer Protection.
From: John Keckhaver, Research Analyst – Work and Economic Security
Wisconsin Council on Children & Families
Re: SB 507
Date: March 4, 2008

The Wisconsin Council on Children and Families strongly supports passage of SB 507. The need to gain postsecondary skills in order to obtain employment that pays a decent wage is only growing. The following chart briefly illustrates the impact on earnings and incidence of poverty of higher educational levels for Wisconsin workers. Current law, ironically, actually impedes W-2 program participants – at least while enrolled in the program – from gaining those skills.

**Educational Attainment and 2006
Average Earnings, 25 and Older, WI
and Corresponding Poverty Levels**



Source: U.S. Census Bureau, American Community Survey

This bill recognizes that the current law requirement that W-2 participants – 97 percent of whom are single parents – who are engaged in Technical College programs simultaneously work at least 25 hours per week in their community service job placement or transitional placement is simply an unrealistic demand. It is not surprising that very few W-2 participants are finding their way into Technical College programs. According to the most recent audit of the program, only 1.9 percent of participants were enrolled in any Technical College course (January through June of 2004). This bill would help W-2 agencies help program participants by removing that requirement.

We also think the time limitation of 12 months or less for program completion is appropriate. Many short-term occupational programs exist at the Technical Colleges that provide critical skills for in-demand jobs. The limitation is also in line with the most recent federal TANF regulatory changes that allow states to count such short-term trainings toward the work requirements.

SB 507 is *Part of the Solution*

According to the 2005 audit, just under 43 percent of W-2 participants had completed high school or its equivalent and another 11 percent had taken some postsecondary coursework. That group, making up about 54 percent of participants is the population that could benefit from the changes made by this bill. (Of course, the number served will be much smaller than this, as many individuals within this group, for either their own reasons or the W-2 agency's reasons, will not take part in the new program.)

If the opportunities provided by this bill find their way from statute through the new Department of Children and Families to the local agencies and then to those critical front line W-2 workers, there could be very positive outcomes for a number of these W-2 participants.

The other 46 percent of participants was at a less than high school level of education and will likely not be impacted by this bill. Those individuals – many of whom become enrolled in Adult Basic Education within W-2 – would need to increase their skills and educational levels before being appropriate candidates for this new category.

For those individuals, there are additional steps that could be taken to improve the effectiveness of the education and training services offered within the state's W-2 program, and we urge you to continue to examine the education and training services offered within W-2. For example, a number of other states have made efforts to combine their basic education offerings with workforce training (often referred to as "contextualized basic education"), and recent steps by the Department of Workforce Development hopefully signal such a change here in Wisconsin. There is great promise, we feel, in the Department's recent creation of Vocational Basic Education and Vocational Literacy service categories, and we look forward to seeing the W-2 agencies use those new program opportunities to improve the outcomes associated with basic education offerings for the nearly one-third of W-2 participants who are enrolled in Adult Basic Education.

Thank you for your time, and we urge you to support SB 507.